Claims 1-36 are pending in the present application, with Claims 1, 15, and 24 being the independent claims. Claims 15-23 have been withdrawn from consideration.

Claims 1-9, 11-14, 24-34 and 36 stand rejected under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 6,122,403 (Rhoads) in view of U.S. Patent No. 6,154,571 (Cox et al.). Claims 10 and 35 stand rejected under 35 U.S.C. §103(a) as being unpatentable over the patents to Rhoads and Cox et al. in view of U.S. Patent No. 6,334,721 (Horigane). Applicants respectfully traverse these rejections for the reasons discussed below.

As recited in independent Claim 1, the present invention includes, *inter alia*, the feature of employing the results obtained at a first information extraction step to determine whether a process for extracting second information from an image is to be performed. Claim 24 recites a similar feature. Applicants submit that the cited art fails to disclose or suggest at least this feature.

The Office Action relies upon <u>Cox et al.</u> (column 8, lines 52-67) as allegedly disclosing the above-mentioned feature. Applicants submit that <u>Cox et al.</u> does not disclose or suggest at least that feature. That discloses the following operations (see Fig. 1; column 8, lines 36-67):

in step 18, a watermark V is extracted from a group G;

in step 20, a new signal ω is determined, which is similar to the watermark V but is highly correlated with a watermark W;

in step 22, a fraction of $\omega\textsc{-V}$ is added to the group G according perceptual slack;

in step 24, a decision is made as to whether or not the group G is the last group;

in step 26, if it is decided in step 24 that the group G is not the last group, the

steps 18-22 are repeated by selecting the next group as the group G;

in step 28, if it is decided in step 24 that the group G is the last group, the inverse DCT is computed and the process ends.

While Cox et al. does disclose an extraction step, namely, extraction of the watermark V in step 18, the results of that extraction is not used to determine whether a process for extracting second information from an image is to be performed. In particular, the watermark V extracted in step 18 is merely used to determine the signal ω in step 20. There is no determination about whether to extract the signal ω based on the extracted watermark V.

Moreover, the determination in step 24 merely determines whether or not the steps 18-22 have been performed for the last group. Even if that determination step could be deemed a determination of whether second information is to be extracted, that determination is made based solely on whether the last group G has been processed. This is because it is necessary to ensure that the operations of steps 18-22 are performed for all relevant groups. That determination is not made by employing the results of extracting the watermark V.

Accordingly, Applicants respectfully submit that <u>Cox et al.</u> does not disclose or suggest at least the feature of employing the results obtained at a first information extraction step to determine whether a process for extracting second information from an image is to be performed. The other cited art also fails to disclose or suggest that feature.

For the foregoing reasons, Applicants submit that the present invention recited in independent Claims 1 and 24 is patentable over the art of record, whether that art is considered individually or taken in combination.

The dependent claims are believed patentable for at least the same reasons as the independent claims, as well as for the additional features they recite.

Should the Examiner maintain the present rejection, Applicants respectfully request that the Examiner provide a detailed explanation of which portions in <u>Cox et al.</u> correspond to the "first extraction" and which portions correspond to employing the results of that extraction to determine whether a process for a second extraction is to be performed.

In view of the foregoing, Applicants submit that this application is in condition for allowance. Favorable reconsideration, withdrawal of the outstanding rejections, and an early Notice of Allowance are requested.

Applicants' undersigned attorney may be reached in our Washington, D.C. office by telephone at (202) 530-1010. All correspondence should be directed to our below-listed address.

Respectfully submitted,

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